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UNCLAS SECTION 01 OF 02 QUITO 002588

SIPDIS

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TAGS: [PGOV](#) [ETRD](#) [EC](#)

SUBJECT: MIXED VIEWS FROM INDIGENOUS ON FREE TRADE

REF: QUITO 2509

1. Summary. Indigenous leaders are not all opposed to a Free Trade Agreement (FTA); however, there is mounting social opposition from some indigenous organizations and unions. Starting October 1, various social groups will try to obtain one million signatures to demand a referendum on whether the GoE should negotiate an FTA with the US. On a different topic, the leaders of indigenous groups FEINE and CONAIE both believe that the extradition of corrupt Ecuadorian bankers is crucial for the US to maintain a positive image in Ecuador. Discussing Ecuadorian politics, neither spoke of calling for a change in government. End summary.

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Indigenous Views On FTA  
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2. On September 16, PolOff met with Marco Murillo, head of FEINE, an organization of evangelical indigenous. Murillo said he is friends with Minister of Trade Ivonne Baki. He stated he is not opposed to an FTA but wants the Ecuadorian public, including indigenous, to be included in the negotiation process.

3. On September 17, PolOff met with Leonidas Iza, president of CONAIE (Federation of Indigenous Nationalities of Ecuador). Iza emphasized that he is not anti-US or against free trade, but he feels Ecuador is not ready for an FTA at this time. He feels that economic competition would be unfair as the US is such a large power. He also believes an FTA would take away Ecuadorian sovereignty, which he feels has already been compromised by the presence of the Forward Operating Location in Manta.

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Call For A Referendum On FTA  
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4. Iza said that, starting October 1, CONAIE will work on collecting a million signatures to demand a referendum on the FTA. (According to the Article 105 in the Constitution, 8% of the electorate's signatures are needed for a referendum. One million votes represents approximately ten percent of Ecuador's population.) Newspapers report that up to 30 organizations will participate in the collection of signatures.

5. Unions such as the CEDOCUT labor federation, led by Mesias Tatamuez, also have voiced opposition to an FTA. Union boss Tatamuez stated to the press that the FTA negotiating team does not represent Ecuadorian society, but only the economic sectors. According to the press, FENOCIN (National Federation of Peasant, Indigenous and Black Organizations) has called for Minister of Trade Ivonne Baki's and the FTA negotiating team's dismissal. While FENOCIN has asked CONAIE to participate in protests at the FTA negotiating round in Guayaquil October 25-30, Iza said he has still not decided if CONAIE will participate.

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US Image Hurt By Hosting Bankers  
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6. Both Murillo and Iza raised the issue of corrupt bankers living in the US who have not been extradited back to Ecuador. Iza said that, by allowing them to reside in the US, the USG is not helping Ecuador end corruption. Murillo also echoed this statement and added that the US needs to show in the Occidental Petroleum case (reftel) that we are not just protecting our own interests, but that we support impartial justice.

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Views On Ecuador's Political Future  
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7. Murillo said that although FEINE does not support Ecuador President Lucio Gutierrez, they will not try to get rid of him. He said they would join CONAIE in political mobilizations if there is a clear goal; however, they are not looking for a change in government. (Murillo was not referring to FTA protests but instead to previous CONAIE mobilizations). He said they would try to influence the GoE with a "transparent voice."

18. Iza mentioned the three things he wants for Ecuador - transparency, foreign investment (Iza feels there is a public misperception that he opposes it) and an end to corruption. Concerning the upcoming October 17 municipal elections, Iza feels that Pachakutik will gain some posts.

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Comment  
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19. By mounting large protests, the indigenous and other social groups could disrupt the next round of FTA negotiations in Guayaquil, slated to begin October 25. Worse, should CONAIE and its allies succeed in obtaining one million signatures and forcing an FTA referendum, a clear display of no confidence in Gutierrez's chosen economic track, the GoE might reconsider the value of continuing free trade negotiations. CONAIE has enjoyed little success lately in organizing mass protests, however, and Iza's talk appears more bluster than fact. On corrupt bankers, Murillo and Iza seem to be jumping on the bandwagon of criticizing the US. The leaders are ignorant of the complexity of the cases and of the GoE's poor response to continuous USG requests for needed information.  
KENNEY